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April 15, 2008

Bud Rife
President
B & H Gas Company
P. O. Box 155
Harold, KY 41635

CERTIFICATE OF SERVICE

RE: Case No. 2008-00101
B & H Gas Company

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 15, 2008.

Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF B & H GAS) CASE NO. 2008-00101
COMPANY, INC.)

O R D E R

On January 13, 1992, in Case No. 1991-00127,¹ the Commission approved certain adjusted rates for B & H Gas Company, Inc. ("B & H") and provided for their further adjustment in accordance with its Gas Cost Adjustment ("GCA") clause.

On March 19, 2008, B & H filed its GCA to be effective March 31, 2008.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. B & H's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. B & H's proposed Expected Gas Cost ("EGC") is \$9.38 per Mcf, which is \$2.38 per Mcf more than the prior EGC of \$7.00.
3. B & H's Gas Cost Recovery Rate is \$9.38 per Mcf, which is \$2.38 per Mcf more than the previous rate of \$7.00.
4. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by B & H on and after April 18, 2008.

¹ Case No. 1991-00127, The Application of B & H Gas Company, Inc. for A Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

B & H's tariff does not permit an effective date of less than 30 days from the date of filing unless it requests and receives a waiver.² B & H did not request such a waiver and therefore the Commission finds that the effective date should be 30 days after the date the GCA was filed.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for billing for service rendered on and after April 18, 2008.
2. Within 20 days of the date of this Order, B & H shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 15th day of April, 2008.

By the Commission

ATTEST:


Executive Director

² B & H Gas Company tariff, P.S.C. KY. NO. 1, Original Sheet No. 1, Gas Cost Adjustment Clause, paragraph 4.

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00101 DATED APRIL 15, 2008

The following rates and charges are prescribed for the customers served by B & H. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Gas Cost Adjustment

The Gas Cost Adjustment shall be \$9.38 per Mcf during the period covered by the bill. A surcharge in the amount of 3 cents per Mcf shall be added to the above rates until the obligation owed Kentucky-West Virginia Gas Company has been discharged or is recalculated.